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SENATE BILL 236

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Mark Boitano

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX CREDIT FOR
CONTRIBUTIONS MADE TO ELIGIBLE PUBLIC SCHOOLS FOR THE SUPPORT
OF AN EXTRACURRICULAR ACTIVITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted
to read:

" [NEW MATERIAL] EXTRACURRICULAR ACTIVITY CONTRIBUTION TAX
CREDIT. --

A. A taxpayer who files an individual New Mexico
income tax return and is not a dependent of another taxpayer
may claim a credit for a contribution made to an eligible
public school located in this state for the support of an
extracurricular activity if a receipt has been received from
the school certifying that the contribution will be used for an

1 extracurricular activity for one or more children enrolled in
2 the school. The credit may be claimed in an amount equal to
3 the total contributions made during the taxable year for which
4 the credit is claimed but shall not exceed two hundred fifty
5 dollars (\$250) in any taxable year. The credit provided in
6 this subsection shall be known as the "extracurricular activity
7 tax credit".

8 B. The extracurricular activity tax credit shall
9 not be allowed for a contribution that is included in the
10 taxpayer's itemized deductions, as defined in Section 170 of
11 the Internal Revenue Code, for the taxable year.

12 C. A husband and wife who file separate returns for
13 a taxable year may each claim only one half of the
14 extracurricular activity tax credit that would have been
15 allowed on a joint return.

16 D. The extracurricular activity tax credit provided
17 in this section may only be deducted from the taxpayer's New
18 Mexico income tax liability for the taxable year in which the
19 contribution is made.

20 E. The department shall provide a format for a
21 standardized receipt to be issued by an eligible school to
22 indicate the extracurricular activity tax credit value of a
23 contribution to the school. The department may require a
24 taxpayer claiming the extracurricular activity tax credit to
25 submit a copy of the receipt with the taxpayer's claim for

underscored material = new
[bracketed material] = delete

1 credit.

2 F. As used in this section:

3 (1) "eligible school" means a public middle
4 school or junior high school, a public elementary school that
5 enrolls students in grade six or a public high school that
6 enrolls students in grade nine; and

7 (2) "extracurricular activity" means a
8 competitive sport or other activity that supports academic,
9 social, leadership or other skills and that provides
10 opportunities for youth, including academic decathlon,
11 cheerleading, drill team, chess, journalism, mock trial, music,
12 art, drama, science fair, speech, student council, homework
13 club or other activity approved by the state department of
14 public education. "

15 Section 2. APPLICABILITY. --The provisions of this act
16 apply to taxable years beginning on or after January 1, 2003.

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